

(Washington, D.C.) - Congressman Ciro D. Rodriguez (TX-23) applauded the signing of the College Cost Reduction and Access Act Today by President Bush, making the bipartisan bill law today. The College Cost Reduction and Access Act passed by overwhelming bipartisan majorities in both the House and Senate on September 7, 2007. "This new investment in college financial aid is critical because a college education is as important as a high school diploma was a generation ago," said Congressman Ciro D. Rodriguez. "With over 205,000 college students in Texas taking out need-based loans at four-year colleges and universities, Texas students and their families can breathe a sigh of relief today. The new Congress is helping to restore the American dream for these families squeezed by the skyrocketing cost of college - at a rate of nearly 40 percent in the last five years. This bill boosts financial aid for Texas students by over \$2.17 billion, and increases Pell grants to the benefit of over 425,000 Texas students. We are working hard in this Congress to ensure that hard working students have access to higher education - including the thousands who until today have not been able to afford to go to college."

Overall, the College Cost Reduction and Access Act will boost college financial aid by more than \$20 billion over the next five years for students across the U.S. To reduce the cost of loans for millions of student borrowers, the legislation will cut interest rates in half on need-based student loans, from 6.8 percent to 3.4 percent over the next four years. Once fully phased in, this will save the typical student borrower - with \$13,800 in need-based student loan debt -- \$4,400 over the life of the loan. In a critical step to expand access to college, the bill will also increase the maximum Pell Grant scholarship by \$490 in 2008 and by \$1,090 over the next five years. This will restore the purchasing power of the Pell Grant - raising the scholarship from \$4,050 in 2006 to \$5,400 by 2012. 74 percent of Pell Grant recipients have family incomes below \$30,000.

The College Cost Reduction and Access Act also includes a number of other provisions that will ease the financial burden imposed on students and families by the cost of college, including:

- Tuition assistance for excellent undergraduate students who agree to teach in the nation's public schools;
- Loan forgiveness after 10 years of public service and loan repayment for college graduates that go into vital public service jobs;
- Landmark investments in Historically Black Colleges and Universities, Hispanic Serving Institutions and other minority serving institutions;
- Safeguards to prevent students from facing unmanageable levels of federal student debt by guaranteeing that borrowers will never have to spend more than 15 percent of their yearly discretionary income on loan repayments and by allowing borrowers in economic hardship to have their loans forgiven after 25 years.

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